



City of Seattle

Gregory J. Nickels, Mayor

Seattle City Light

Jorge Carrasco, Superintendent

## ***Mayor's 2007-2008 Electric Rates Proposal***

### **Fact Sheet**

Mayor Greg Nickels presented his proposal for new electricity rates at a press conference on July 19<sup>th</sup>. The Mayor has proposed a 4.8% system-wide rate reduction to take effect January 1, 2007. The new rates would remain in effect through 2008. The proposal is a comprehensive package of rate reductions and adjustments that will bring rate relief for most customers while helping to provide rate stability for Seattle. The proposed rates will generate sufficient revenue to operate the utility, maintain the physical plant and infrastructure, pay down the debt incurred as a result of the energy crisis, and provide more financial flexibility to carry City Light through good and bad water years.

#### **➤ *Rate Relief***

- ✓ Most customers will see bills go down when these rates take effect.
- ✓ Seattle has the 2nd lowest residential and lowest commercial rates of comparably sized cities in the U.S.
- ✓ Seattle residential customers will see a 2.2% reduction.
- ✓ Seattle small business owners or comparably sized customers will see a 2.3% reduction.
- ✓ Seattle medium-sized businesses or comparably sized customers will see a 13.8% reduction.
- ✓ Seattle large businesses or comparably sized customers will see a 9% reduction.
- ✓ Seattle high-demand customers will see a 11.4% reduction.
- ✓ Seattle downtown medium and large customers will see 6.7% and 1.8% reductions respectively.
- ✓ Low-income and qualified elderly customers will continue their current reduced rate that is 40% of the residential rate.

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Tel: (206) 684-3000, TDD: (206) 684-3225, FAX: (206) 684-3709; <http://seattle.gov/light>

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***We are committed to delivering the best customer service experience of any utility in the nation.***

➤ ***Stability***

- ✓ Most customers will pay a lower rate for electricity and all customers will pay the true cost of service.
- ✓ City light will pay for major capital projects from existing cash balances in the 2007 – 2008 biennium. This includes the Alaska Way Viaduct utility relocation project.

➤ ***Sound Management at Seattle City Light***

- ✓ New management team installed at City Light led by Superintendent Jorge Carrasco.
- ✓ New financial policies enacted since energy crisis to ensure for more revenue and prepare against contingencies.
- ✓ Sound financial management practices eliminated \$307 million of City Light's short-term debt while long term debt is projected to be paid down by \$120 million at the end of 2006 and another \$100 million by the end of the 2007 – 08 biennium
- ✓ Enhanced marketing of surplus power is projected to generate \$317.6 million in additional revenues in 2007 and 2008 for the utility.
- ✓ Annual operating and capital spending reduced by \$22 million since 2000.

The City Council now has the Mayor's proposal. For information on the City Council schedule, please refer to the Seattle City Council web site, <http://www.ci.seattle.wa.us/council/>.

To find out more information about City Light rates, please refer to the Mayor's web site: <http://www.seattle.gov/mayor/>

Or

Seattle City Light web site: <http://www.seattle.gov/light/>

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